

## Message Text

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TO AMEMBASSY BRASILIA

C O N F I D E N T I A L STATE 132461

FOLLOWING REPEAT LONDON 7146 ACTION SECSTATE INFO USUN  
OECD PARIS GENEVA EC BRUSSELS 12 MAY

QUOTE

C O N F I D E N T I A L LONDON 07146

E.O. 11652: GDS

TAGS: EGEN, UK

SUBJECT: BRITISH VIEWS ON DC-LDC RELATIONS

REF: STATE 107953

1. SUMMARY. FCO DEPUTY UNDER SECRETARY DONALD MAITLAND  
REVIEWED UK VIEWS ON DEVELOPED COUNTRY-DEVELOPING  
COUNTRY RELATIONS IN LIGHT OF KINGSTON COMMONWEALTH

MEETING WITH ROBERT HORMATS NSC AND EMBASSY ECON/COM  
MINISTER MAY 9. MAITLAND CONSIDERS THAT UK INITIATIVE  
ON COMMODITIES WAS WELL RECEIVED AND IS MODERATELY  
ENCOURAGED WITH PROSPECTS IN LIGHT OF KINGSTON MEETING.  
HE EMPHASIZED UK WISH TO WORK CLOSELY WITH US.  
END SUMMARY.

2. MAITLAND STARTED AND FINISHED CONVERSATION WITH  
REMARKS ON IMPORTANCE OF COORDINATION OF DEVELOPED  
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COUNTRY POSITIONS AND, IN PARTICULAR, OF CLOSE UK

COORDINATION AND COOPERATION WITH US.

3. HE REGARDED COMMONWEALTH CONFERENCE AS IMPORTANT PREPARATION FOR SEVENTH SPECIAL SESSION AND FELT THAT CONFERENCE CAME OUT SLIGHTLY BETTER THAN EXPECTED AFTER "UN TYPE" BEGINNING; COMMONWEALTH STILL DIFFERS FROM UN IN THAT IT IS STILL MORE POSSIBLE TO FIND SOME COMMON GROUND.

4. AS TO NEXT STAGES OF DC-LDC RELATIONS, MAITLAND SAID BRITISH CONCLUSIONS FROM KINGSTON ARE FOLLOWING:

A. WE SHOULD NOT EXPECT BREAK (HE LATER SAID OVERT BREAK) IN SOLIDARITY OF 77 IN FORESEEABLE FUTURE. FOR EXAMPLE, LDC ALLEGIANCE TO NIEO WILL BE MAINTAINED.

B. HOWEVER THERE IS WIDE SPECTRUM OF ATTITUDES AMONG 77 ON NIEO AND CERDS.

C. APART FROM SOME LDCS WHICH DO NOT WANT TO BRIDGE GAP, THERE IS LARGE GROUP WHICH WILL BE UPSET IF DCS DO NOT COME UP WITH CONSTRUCTIVE PROPOSALS. LUK WAS ENCOURAGED PRIVATELY AT KINGSTON TO PERSEVERE IN COMMODITY PROPOSALS DESPITE NIEO TALK.)

5. STRATEGIC IMPLICATIONS FOR DCS ARE NEED TO CONSOLIDATE THEIR COOPERATION, MAINTAIN THEIR POSITIONS WITHOUT BEING TOO UPSET ABOUT NIEO, AND COME UP WITH SPECIFIC SUBJECTS FOR PROGRESS AND PRACTICAL INITIATIVES. SUCH INITIATIVES COULD LEAD TO SERIES OF NEGOTIATIONS IN DIFFERENT FIELDS IN DIFFERENT FORA. SUFFICIENT ACTIVITY SHOULD MEAN LESS INSISTENT NEED TO PROCLAIM NIEO.

6. AS TO HIGH LEVEL MEETINGS AHEAD, MAITLAND SAID BRITISH ARE KEEN FOR MINISTERIAL DECLARATION ON FIRST DAY OF OECD MINISTERIAL. THEY ARE REVISING THEIR DRAFT AND HOPE TO GIVE US A NEW DRAFT BY END OF NEXT (THIS) WEEK. IN SUBSTANCE DECLARATION SHOULD BE RECOGNITION OF PROBLEM OF DC-LDC DISPARITY AND COMMITMENT TO DEAL  
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WITH IT.

7. UK WOULD ALSO LIKE OECD MINISTERIAL TO HAVE BRIEF DISCUSSION OF APPROACH TO SPECIAL SESSION, PARTICULARLY AGENDA. MAITLAND NOTED THAT 77'S PROVISIONAL AGENDA HAS BEEN LARGELY STATED IN OBJECTIVE TERMS, A CONSIDERABLE IMPROVEMENT ON SIXTH SPECIAL SESSION. DCS SHOULD SHOW WILLINGNESS TO TACKLE APPROPRIATE SUBJECTS IN

PRACTICAL WAY.

8. FORIEA, UK ADVOCATES CLOSE CONSUMER SOLIDARITY AND IS READY FOR RESUMPTION OF MEETING WITH PRODUCER COUNTRIES WHEN IT WILL BE FRUITFUL TO DO SO. MEANWHILE THERE SHOULD BE BILATERAL CONTACTS TO SEE WHEN IT WILL BE USEFUL.

9. ON COMMODITIES, UK THINKS EXAMINATION OF PROBLEM SHOULD PROCEED IN PARALLEL IN COMMONWEALTH GROUP, EC, OECD AND US, WITH CONTINUING CLOSEST CONSULTATION. UK HAS LAUNCHED INITIATIVE ON COMMODITIES AND IS NOW COLLECTING COMMENTS. THEY HOPE THIS CAN RESULT IN POLITICAL INITIATIVE BY UK, EC OR OECD AT SEVENTH SESSION, TO AIM AT SOMETHING COMING OUT OF UNCTAD FOUR. IN RESPONSE TO HORMATS COMMENT THAT IT IS DIFFICULT TO JUMP FROM POLITICAL DECLARATION TO DETAILS AND SUGGESTION OF SKEPTICISM RE UNCTAD, MAITLAND SAID UNCTAD FOUR OF COURSE COULD NOT NEGOTIATE COMMODITY AGREEMENTS BUT COULD ENCOURAGE STEPS TO IMPROVE SITUATION. THERE MIGHT BE A POLITICAL EXPRESSION IN UNCTAD IN A BROADER FRAMEWORK THAN THE COMMONWEALTH AND UNCTAD MIGHT THEN BE COVER FOR WORK ON COMMODITIES ON ITEM BY ITEM BASIS. THIS WOULD AT LEAST IMPROVE ON UNCTAD INTEGRATED APPROACH. ALTERNATIVELY, THERE COULD BE SMALL NEW SECRETARIAT TO ASSIST AND ADVISE. HOWEVER UK HAS OPEN MIND ON INSTITUTIONS AND WOULD WELCOME SUGGESTIONS.

10. REVERTING TO THE SPECIAL SESSION, MAITLAND SAID MANY OF THE 77 LIKE THE THREE TIER APPROACH; THE 77'S PROVISIONAL AGENDA IN EFFECT REPRESENTS THEIR NOMINATIONS FOR TIER TWO. THE UK HOPES THERE WILL BE DC INITIATIVES ADDITIONAL TO THEIRS ON COMMODITIES, FOR CONFIDENTIAL

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EXAMPLE IT WOULD BE USEFUL IF THERE COULD BE SOME US INITIATIVE ON FOOD.

11. THIS LED TO DISCUSSION OF INDEXATION, WHICH SEEMED TO BE ONE SUBJECT IN 77'S PROVISIONAL AGENDA NOT OBJECTIVELY STATED. MAITLAND WAS ENCOURAGED BY DISCUSSION OF INDEXATION AT KINGSTON, WHICH HE SAID HAD GONE WELL FOR DCS. WILSON HAD EXPLAINED MISGIVINGS RE COMMODITY PRICE INDEXATION, INCLUDING MISGIVINGS AS PRACTICAL MATTER REGARDING BENEFITS TO LDCS, AND TRUDEAU, AS REPRESENTATIVE OF PRODUCER COUNTRY, AND ROWLING WERE BOTH HELPFUL. MAITLAND THOUGHT SOME LDC LEADERS HAD HAD THEIR EYES OPENED TO SOME EXTENT; THEY DOUBTLESS WILL CONTINUE TO TALK INDEXATION BUT WILL SEND THEIR ECONOMISTS BACK TO RESTUDY THE QUESTION. WE SHOULD NOT

BE AFRAID TO STUDY INDEXATION; MORE UNDERSTANDING OF THE  
IMPLICATIONS WOULD HELP.

12. HORMATS SAID WE AGREE WITH THE UK THAT THE PRESENT  
LDC-DC CONFRONTATION POSES A MAJOR POLITICAL PROBLEM  
AND CONSIDER IT CONSTRUCTIVE FOR THE UK TO BE LOOKING  
SERIOUSLY AT WHAT CAN BE DONE. HE ALSO AFFIRMEJ US  
WISH TO STAY IN CLOSE TOUCH.

RICHARDSON UNQUOTE KISSINGER

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